

SENATE BILL 3659

By Ketron

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 3, relative to the measurement for
taxation purposes of certain petroleum products.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-3-201(a), is amended by deleting the language "the tax being levied when the product first comes to rest in this state." and by substituting instead the language "it being the purpose and intent of this section that the taxes being levied on gasoline, fuel alcohol and substitutes therefore under the provisions of this chapter are in fact a levy and assessment on the consumer, and the levy and assessment on other persons as specified in this chapter are as agents of the state for the collection of such tax."

SECTION 2. Tennessee Code Annotated, Section 67-3-301,
is amended by deleting the section in its entirety and by substituting instead the following language:

(a) The tax imposed by § 67-3-201 on gasoline, fuel alcohol and substitutes therefor shall be measured by taxable gallons removed, other than through a bulk transfer, by a licensed supplier:

(1) From the bulk transfer/terminal system or from a qualified terminal or refinery within this state;

(2) From the bulk transfer/terminal system or from a qualified terminal or refinery outside this state for delivery to a location in this state as represented on the shipping papers; provided, that the supplier imports such products for the supplier's own account, or such supplier has made a tax pre-collection election under § 67-3-503;

(3) Upon sale in qualified terminal or refinery in this state to an unlicensed supplier; or

(4) In other cases in the same manner as the tax imposed by section 4081 of the Internal Revenue Code of 1986 or the Code of Federal Regulations.

(b) With respect to the operator of a terminal in this state, the tax imposed by § 67-3-201, shall be measured and levied annually on gasoline, fuel alcohol and substitutes therefore by the amount by which net gallons lost or unaccounted for within the terminal exceed the sum of net gallon gains, plus one-half of one percent (0.5%) times the number of all net gallons removed from such terminal across the rack or in bulk.

SECTION 3. Tennessee Code Annotated, Section 67-3-303, is amended by deleting subsection (b) in its entirety.

SECTION 4. This act shall take effect July 1, 2008, the public welfare requiring it.